



a national nonprofit membership organization  
promoting the concept, practice and growth  
of socially responsible investing

Financial Professionals: Join SIF

N E W S

## Social Investment Forum News



*The Social Investment Forum*

**News Release:**

**1999 SRI Trends Report**

Media Contact: Todd Larsen, (202)872-5310 [Todd@socialinvest.org](mailto:Todd@socialinvest.org)

For all other inquiries, please email [info@socialinvest.org](mailto:info@socialinvest.org)

Also see our [Index of Forum News Releases](#).

[\(Complete Study Available Online\)](#)

FOR IMMEDIATE RELEASE: 2 p.m., ET - November 4, 1999

### **SOCIALLY RESPONSIBLE INVESTING IN U.S. TOPS TWO TRILLION DOLLAR MARK**

**One Out of Every \$8 Under Management Now Invested Responsibly**

**WASHINGTON, D.C.-- November 4, 1999.**

More than \$2 trillion is invested today in the United States in a socially responsible manner, up strong 82 percent from 1997 levels, according to a study released today by the nonprofit Social Investment Forum. The \$2.16 trillion includes all segments of social investing – screen portfolios, shareholder advocacy and community investing – and accounts for roughly 13 percent of the \$16.3 trillion under professional management in the U.S., as reported by *The 1999 Nelson's Directory of Investment Managers*.

Social Investment Forum President Steve Schueth said: "The clear message from this data that socially responsible investing is now firmly on a path of steady growth thanks to nearly universal acceptance of social investment as a viable and value-added approach to asset management. Clearly, a growing number of American individuals and institutions are insisting that their money be invested in a fashion that is aligned with their values. At the same time, it is clear that the strong performance of social investing in recent years has played a major role in the influx of assets."

Social Investment Forum Vice President and Co-op America Executive Director Alisa Grav commented: "Socially responsible investing is a powerful concept. Its strong performance and ability to improve corporate responsibility gets people's attention. So more and more

**investors are saying, 'This looks good – I'm in!' For example, employers are increasing receptive to workers' requests that socially responsible options be available in define benefit and contribution plans."**

How does the 82 percent rise from 1997 to 1999 in socially responsible assets compare to growth in the stock market during the same period? One telling yardstick: socially responsible assets grew at roughly **twice** the rate of all assets under management in the U.S., which according to a comparison of the 1997 and 1999 *Nelson's Directories*, climbed 42 percent during the 1997-1999 period.

Major findings of the Forum's 1999 Report on Socially Responsible Investing Trends in the United States include:

1. ***Socially screened portfolios see explosive growth.*** Since 1997, total assets under management in screened portfolios for socially concerned investors rose **183 percent**, from \$529 billion to \$1.49 trillion.
2. ***Ranks of socially responsible mutual funds continue to swell.*** The number of screened mutual funds increased to **175** in 1999 from 139 in 1997, and just 55 in 1995. Assets in screened mutual funds grew by 60 percent from 1997 to 1999. Screened mutual fund assets expanded to \$154 billion in 1999 from \$96 billion in 1997, and up from just \$12 billion in 1995.
3. ***SRI grows as retirement plan alternative.*** Employers are increasingly offering socially screened investment options as part of retirement plans and employees are increasingly moving assets into them. A recent survey by Calvert Group shows that **35 percent** of mutual fund investors with defined contribution retirement plans at work said that their employer offers a socially screened investment option, more than double the 16 percent found in 1996. Management reports that over the past two years, defined benefit plans have grown from about 1 percent to more than 33 percent of the assets in the Domini Social Equity Fund. Citizens Funds and other socially responsible mutual funds are reporting similarly spectacular growth in retirement assets within their funds.
4. ***Tobacco remains top concern for social investors.*** An investment policy prohibiting investments in tobacco is almost universal among socially concerned investors. Fully **96 percent** of socially screened portfolios avoid tobacco. Beyond tobacco, social investors share a broad common ground in their choice of portfolio screens. In addition to tobacco, the majority of assets are screened for gambling (86 percent), alcohol (83 percent), weapons (81 percent), and the environment (79 percent). Other screens include human rights (43 percent), labor issues (38 percent), birth control/abortion (23 percent), and animal welfare (15 percent).
5. ***Social investors active in shareholder advocacy control nearly a trillion dollars.*** Over 120 institutions and mutual fund families have leveraged assets valued at **\$922 billion** in the form of shareholder resolutions. These institutional investors used the power of their ownership positions in corporate America to sponsor or co-sponsor proxy resolutions on social issues. They also voted their proxies on the basis of formal policies embodying social responsibility goals and actively worked with companies to encourage more responsible levels of corporate citizenship.

6. ***Socially responsible investors increasingly are using both screening and shareholder advocacy to encourage greater corporate responsibility.*** The fastest growing component of socially responsible investing is the growth of portfolios that employ **both** screening and shareholder advocacy. Assets in portfolios utilizing both strategies grew 215 percent, from \$84 billion in 1997 to \$265 billion in 1999.
7. ***Community investing grows by 35 percent.*** Assets held and invested locally by community development financial institutions (CDFIs) totaled **\$5.4 billion**, up from \$4 billion in 1997. This critically important capital is invested in community development banks, credit unions, loan funds and venture capital funds, and is focused on local development initiatives, affordable housing and small business lending in many of the neediest urban and rural areas of the country.

**"A number of important factors, including strong performance, continued flight from tobacco stocks and heightened interest by retirement and pension plans, paved the way for this impressive growth in socially responsible investing over the last two years explained Trillium Asset Management Executive Vice President Patrick McVeigh, who is the Social Investment Forum research project manager for the 1999 Trends Report.**

### ***SPONSORS OF THE FORUM REPORT***

***The Social Investment Forum 1999 Report on Responsible Investing Trends*** is sponsored by: Calvert Group; Christian Brothers Investment Services; Citizens Funds; Co-op America; Domini Social Investments; Dreyfus Corporation; Dubuque Bank & Trust; First Affiliated Financial Network, LLC; Friends, Ivory & Sime, Inc.; Harris Bretall Sullivan & Smith; Kinder Lydenberg, Domini & Co., Inc.; MMA Praxis Mutual Funds; Parnassus Investments; Pax World Fund Family; The Security Benefit Group of Companies; Trillium Asset Management; Vantage Investment Advisors.

The Forum notes its special thanks to research project manager Patrick McVeigh, Forum Senior Research Fellow and Executive Vice President, Trillium Asset Management.

### ***ABOUT THE FORUM***

The [Social Investment Forum](#) is a national non-profit membership organization dedicated to promoting the concept, practice and growth of socially and environmentally responsible investing. The Forum's membership includes over 400 social investment practitioners and institutions including financial advisors, analysts, portfolio managers, banks, mutual funds, researchers, foundations, community development organizations and public educators. Membership is open to any organization or practitioner in the social investment field.

**For more information, contact: Todd Larsen, 202/872-5310  
or Stephanie Kendall, 703/276-1116**

or [click here](#) to read the complete report online

Jump to... 

[HOME](#) [SRI GUIDE](#) [NEWS](#) [INVESTORS](#) [RESEARCH](#) [MEMBERS](#) [JOIN](#)

Social Investment Forum

1612 K Street NW, Suite 650

Washington, DC 20006

ph (202)872-5319, fax (202)822-8471

email: [info@socialinvest.org](mailto:info@socialinvest.org)

For more information on SRI and personal finance: [Co-op America](#)

Site developed and maintained by [Co-op America](#). Site hosted by [CapuNet](#)

©1996-2000 [Social Investment Forum](#) & Co-op America. All rights reserved.